

**NORTHUMBERLAND COUNTY COUNCIL PENSION FUND
Pension Fund Panel Meeting 22 February 2019**

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Report of the Chair of the Northumberland LGPS Local Pension Board

Purpose of the Report

The purpose of this report is for the Pensions Panel to learn of the Board's observations on topics referred from the Panel and to consider any recommendations from and assurances gained by the Northumberland Local Pension Board, and any other relevant information, emanating from the meeting of the Board on 10 December 2018.

Recommendation: The Panel is requested to note the feedback on items referred to the Board (paragraph 1), to consider recommendations in paragraphs 1.4, 2.1 and 2.2, to note the various assurances gained by the Board as set out in paragraph 3, and to note the points of interest set out in paragraph 4.

Outcomes from Pension Board Meeting on 10 December 2018

1. Items referred by the Panel

1.1. Review of Code of Practice 14

The Board reviewed the documentation provided as the annual review of compliance with the Pension Regulator's Code, and focussed on areas shown as amber (partially compliant). Various recommendations were made and clarifications sought. In particular, the training plan will be updated and improved. A revised version will be presented to the Board in March, with a final version to be seen by the Panel in June 2019.

1.2. Consideration of the Data Improvement Plan

The Board considered the first draft, recognising that further work was required. A revised version will be presented to the Board in March, with a final version to be seen by the Panel in June 2019.

1.3. Review of Breaches of the Law.

The Board considered the reports up to quarter ended 30 September 2018. The Board supported the officers' views that two breaches were not of material significance to the Pensions Regulator and therefore were not reportable.

1.4. Review of Key Performance Indicators

The Board probed the performance statistics to quarter ended 30 September 2018 with a particular focus on the quality and timeliness of data receipt from employers. Poorly performing employers are being closely monitored. As part of its review the Board **recommended** that its concerns regarding standards be communicated to one particular Fund employer. On a more general point affecting all LGPS funds, the Board **suggested** that the Pensions Regulator should consider amending the timescales applying to one particular scheme activity.

2. Other Recommendations from the Board

- 2.1 The Board reviewed its Terms of Reference, and, with minor adjustments to reflect external changes since 2015, found them fit for purpose. It recommended that changes be made to reflect the General Data Protection Regulations and to the on-set of shared services with South Tyneside Council (STC). It confirmed that the current practice of four Board meetings per annum is appropriate and complies with the expectations of the Pensions Regulator.
- 2.2 When considering the reconciliation of migration balancing items of £2 per month or more, the Board recommended that officers set a target date for completing the investigatory work.

3. Assurances Gained by the Board

- 3.1. The Board was **assured** that the Scheme Annual Return for NCCPF to the Pensions Regulator had been submitted before the deadline.
- 3.2. The Board was assured that the tPR's Governance and Administration Annual Survey for 2018 had been submitted by NCCPF prior to the 30 November 2018 deadline. A single response had been submitted on behalf of the Scheme Manager, following consultation with STC administration, the Pension Fund Panel Chair and the Board Chair.
- 3.3. The Board was assured by the fact that its previous recommendations had been taken into account prior to STC issuing their second letter regarding on-line access to Annual Benefit Statements.
- 3.4. Following general concerns expressed by the Pensions Regulator, the Chair has examined the Conflict of Interest policies, procedures and returns for Panel and Board members. Allowing for the changes currently being made, the Chair was assured that procedures were robust and ensured that the interests of the Fund would always take precedence. The Board considered the Chair's own Register of Interests and provided appropriate assurances.
- 3.5. The Board gained assurances that a special report on cyber security would be produced for the Panel and the Board.
- 3.6. Regarding the Guaranteed Minimum Pensions reconciliation work, the Board gained assurances that STS officers were working to meet the 31 December 2018 deadline. Materiality would then be considered and those with the biggest impact would be prioritised.
- 3.7. The positive feedback received from satisfaction surveys completed by scheme members following receipt of Annual Benefit Statements gave the Board assurances regarding the standards of administration.

4. Other Information

- 4.1. At the invitation of the Chair, the meeting was attended in an observer capacity by the Chair of the Cumbria LGPS Pension Board and the Technical Finance Officer - Pensions, both of whom felt the experience useful and relevant, and who also provided useful feedback for the Northumberland Board.
- 4.2 As invited, the Board agreed the process for the Northumberland scheme member representatives to vote for a nominee and deputy for the role as observer on the Joint Committee of the Border to Coast Pooling Partnership.
- 4.3 The Board **noted** the progress to align the Responsible Investment policies at pool and Fund level.

Gerard Moore

Independent Chair: Northumberland LGPS Pensions Board